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ARIZONA CORPORATION COMMISSION

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December 8, 2010

Jim G. Kenna
Arizona State Director
Bureau of Land Management
One North Central Avenue
Suite 800
Phoenix, AZ 85004-4427

Re: Bureau of Land Management and the Arizona Public Service Company's TS-5 to TS-9 500/230 kV transmission line.

Dear Mr. Kenna:

The Arizona Corporation Commission has had the opportunity to review the recent order from the Interior Board of Land Appeals ("IBLA") concerning the Bureau of Land Management's ("BLM") rejection of Arizona Public Service Company's ("APS") application for a right-of-way across public land. While we are encouraged that stakeholders remain interested in resolving this underlying matter, we believe clarification is needed regarding the Commission's participation and decision making process associated with this case.

As you may know, the Commission has statutory responsibility for proposed above-ground transmission lines designed for 115 kV or higher. Arizona's line siting process is two-fold: initial deliberations, public hearings and recommendations are made by the Line Siting Committee; further public hearings are led by the Commission leading to a final decision. By statute, the Line Siting Committee must consider a number of factors in its deliberation including impacts to fish, wildlife, plant life, scenic areas, historic sites, and the total environment of the area impacted.¹

On July 1, 2008, APS submitted an application for its TS-5 to TS-9 500/230 kV transmission line project which connected a substation in Peoria to a substation in northwest Buckeye. In addition to providing pronounced reliability benefits, the proposed transmission line allows for greater access by Arizona's utilities to renewable energy corridors. As part of the Case 138 proceeding, 18 separate parties intervened, and the Line Siting Committee held fourteen days of public hearing between August and December of 2008 which resulted in over 3,600 pages of transcript. Following the Line Siting Committee's process, the Commission held

¹ See ARS §40-360.06.

hearings on the Committee's recommendation on three separate days, which allowed for further public comment and deliberation.

The Commission hopes to highlight the significant public processes that took place as part of the Case 138 proceeding. We are concerned that parties may not fully appreciate the effort and process that went into the Commission's decision or the specific areas the Commission addressed.

Thank you for your consideration of these comments and we look forward to continued constructive interaction with the BLM on these and other issues.

Sincerely,



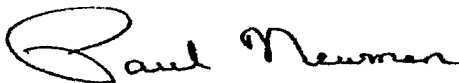
Kristin K. Mayes
Chairman



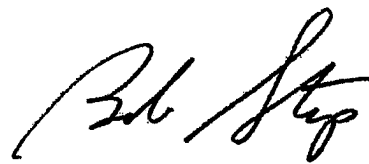
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cc: Ernest Johnson
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